

O 100014Z AUG 07
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC IMMEDIATE 0627
INFO USMISSION USUN NEW YORK

S E C R E T BEIJING 005237

E.O. 12958: DECL: 08/10/2027
TAGS: PARM PREL ETTC MTCR KSCA CH IR

SUBJECT: (S) AMBASSADOR PRESSES CHINA ON ITS RELATIONS
WITH IRAN

REF: A. STATE 109649
 1B. BEIJING 5070
 1C. STATE 111099
 1D. P STAFF-EMBASSY BEIJING EMAIL 8/1/07

Classified By: Ambassador Clark T. Randt, Jr. Reasons 1.4 (b/d).

11. (S) Summary: The Ambassador urged China to support the approval of a new UNSC Resolution to "keep the pressure on Iran" during a meeting with Assistant Foreign Minister Cui Tiankai at the Foreign Ministry August 9. Drawing upon reftel A and previous demarches regarding arms shipments to Iran, the Ambassador emphasized that China's "business as usual" trade policies will not help persuade Iran to cease its proliferation activities. AFM Cui described Chinese frustration with what it views as "U.S. pressure" on third countries to interfere with Chinese shipments to Iran. Claiming China has behaved in strict accord with UNSC resolutions, Cui accused the United States of "overstretching" the interpretation of UNSCR 1737 and UNSCR 1747. He said the current dual-track system (negotiations and the present regime of UNSC resolutions and international agreements) is effective and warned that imposing economic sanctions risks empowering Iranian hardliners. End Summary.

12. (S) The Ambassador met with Assistant Foreign Minister Cui Tiankai August 9 to urge China to stop conventional weapons sales to Iran and to support the approval of additional United Nations sanctions to pressure Iran to cease its nuclear proliferation activities. Delivering reftel A demarche and referring to the steady flow of arms sales information previously shared with the MFA by Embassy Beijing, the Ambassador cautioned against continued "business as usual with Iran," and emphasized the need for all countries to respect their responsibilities under UNSCR 1737 and UNSCR 1747. The entire international community must continue to pressure Iran, the Ambassador asserted.

13. (S) AFM Cui said that China believes the UNSC resolutions, International Atomic Energy Agency resolutions and other international agreements have thus far been successful in curbing Iran's proliferation activities. If another resolution is needed, he contended, it will be "easy enough to work out." On the issue of Chinese shipments to Iran, AFM Cui criticized U.S. actions. He said the two shipments of "plain cables" recently seized in Dubai (reftel B) are an example of the United States "overstretching" the interpretation of UNSCR 1737 and UNSCR 1747. AFM Cui described Chinese frustration with what it views as "U.S. pressure" on third countries to detain shipments of Chinese products to Iran. "The United States should deal directly with China," he said. China, he pledged, will not export dual-use technology or items that could aid Iran's WMD program. China has acted in strict accordance with UNSCR 1737 and UNSCR 1747. Current trade simply fulfills previously signed contracts, he said. "We understand U.S. concerns regarding weapons going from Iran to Iraq. China has no intention of facilitating

that transfer."

¶4. (S) Cui claimed that China's economic relationship with Iran in the energy sector is both legal under the UNSC resolutions and critical to China's continued economic development. China's energy dealings with Iran are "not for profit," he stated, and claimed that China has no other stable energy supply source. Cui noted that Iran complains that China's trade policy is too strict, and Washington criticizes China's trade policy as too liberal. Therefore, "China's trade policy toward Iran is probably just right." Cui said that China, while ready to discuss elements of a new UNSCR, hopes the present two-track negotiations will soon "move closer to each other and eventually meet half way." Economic sanctions, he stated, should be avoided at all costs. Sanctions will serve only to "further empower the voices of the hardliners in Iran."

¶5. (S) The Ambassador reiterated the importance of a new UN resolution as a "complement to the current UNSCRs, not in lieu of them." Regarding nonproliferation issues, the Ambassador pointed out that the sale of anti-ship cruise missiles to Iran sends a "poor message" to China's "U.S. friends." The Ambassador assured AFM Cui that Embassy Beijing will stay in close contact with Cui's Arms Control Department regarding LIMMT shipments of graphite cylinders to Iran (reftel C). Cui then asked to move on to another subject, delivering a demarche to the Ambassador regarding Taiwan (septel).

AFM Cui's Immediate and Future Travels

¶6. (S) AFM Cui said he welcomes further discussions with the United States regarding Iran and nonproliferation. He requested the Ambassador pass on his thanks to Under Secretary Burns for the P5 1 background materials he received via EAP Assistant Secretary Hill while attending the ARF in Manila (ref D). Cui had just returned late August 8 from a trip to Manila and Islamabad and is leaving again August 10, traveling via New York to Mexico City for a meeting of the 5 developing countries of the G8 5. He said he is "looking forward to not having this kind of work to do anymore." Through his visit to Pakistan and meetings with Pakistani officials, including President Musharraf, he is convinced that the situation is stable there. His travel schedule keeps him very busy, he remarked, saying he regrets not having had time to meet Under Secretary Burns. "Perhaps he will be able to come visit me in a foreign capital," he said, alluding to his as-yet-unannounced posting as Ambassador. Later, in a personal aside, AFM Cui told the Ambassador that he had been hoping to be posted to "an English-speaking country," but it was not to be. Following his trip to Mexico City, AFM Cui will remain in Beijing until he travels to Sydney for the APEC meeting.

RANDT

NNNN

End Cable Text